

DUTIES & RESPONSIBILITIES OF TAX DEDUCTOR UNDER GOODS AND SERVICES TAX ACT, 2017

A GUIDELINE FOR THE DDOs



**State Taxes Department
Government of Jammu &
Kashmir**





What is GST ?



Goods and Services Tax (GST) is one indirect tax for the whole nation, which will make India one unified market. GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Credits of input tax paid at each stage will be available in the subsequent stage of value addition, which makes GST essentially a tax on value addition at each stage.



Under GST there are three major taxes IGST, CGST & SGST

Types of Taxes

IGST

charged on
Inter-State
transaction

CGST

charged for
supply of
goods
& services
within a state

SGST

charged for
supply of goods
& services
within the state





Some Key words:

- **Taxable Supply:** means the supply of goods or services or both which is leviable to tax under GST Act.
- **Deductor:** Deductor is the person who is required to deduct TDS for a supply from a supplier.
- **Deductee:** The supplier from whom tax is deducted.



Who is a Tax Deductor ?

- A department or establishment of the Central Government or State Government;
- or
- Local Authority;
- or
- Governmental Agencies;
- or
- Such persons or category of persons as may be notified by the Government on the recommendations of the Council.





When to deduct tax at source?

Under Section 51 r/w Rule 5 of GST Act:

DDO is liable to deduct tax from the payment of the supplier when the total value of supply of goods/services or both under a contract, payable to the supplier exceeds Rs.2.5 lakh.





Rate of tax for deduction of tax at source

For intra-state supply

(For supply within the same State)

1% as CGST & 1% as SGST both to be deducted

For inter-state supply

(Supply involves one State to another State)

In such case, in place of CGST & SGST

2% as IGST tax to be deducted





Determination of the Value of Supply for deduction

To determine the value of supply:

The CGST & SGST or IGST tax shown in the invoice by the supplier shall be excluded and the rest of the value shall be considered i.e., the amount of CGST & SGST or IGST shown in the invoice shall not be considered as the value of supply.



Illustration in the next slide



Illustration :

Selling price of 10 computers @ Rs 30,000		Rs. 3,00,000.00
If the rate of tax (CGST) on computer is 5% CGST @ 5%	X	Rs. 15,000.00
If the rate of tax (SGST) on computer is 5% SGST @ 5%	X	Rs. 15,000.00
Total Invoice value		Rs. 3,30,000.00

In this illustration , for TDS, DDOs will have to deduct CGST @1% & SGST @ 1% i.e., amount of tax to be deducted =

CGST 1% on Rs. 3,00,000 = Rs. 3,000.00
SGST 1% on Rs 3,00,000 = Rs 3,000.00



Registration of Tax Deductor

Under Section 24(1(vi) of GST Act:

Any person liable for deduction of tax source u/s. 51 is liable for registration under GST as a **TAX DEDUCTOR**.





Registration : Procedures for Tax Deductor

Tax Deductor shall submit an online application, in FORM GST REG-07 for grant of registration through the GST Portal presently www.gst.gov.in

The application form submitted for registration shall be signed electronically using Class 2 and above DSC (Digital Signature Certificate) or Aadhar based e-Signature or EVC.





How to fill up Application for Registration in Form GST REG-07

In **Part-A** of the application form the following needs to be filled up :

i. Legal Name of the Tax Deductor as per TAN
e.g., EXECUTIVE ENGINEER SRINAGAR

i.PAN : To enter the PAN of the office, if the office is also a business entity e.g. SICOP, SFC.

ii.TAN : TAN (Tax Deduction and Collection Account Number) issued under the Income Tax Act, 1961
e.g. SHLD0107B

iii. Email Address : To enter the email id of the office.
e.g. exeengineersgr@gmail.com

iv. Mobile number : To enter the mobile number e.g.
9435090174

Once Part-A is filled up, e-mail OTP & mobile OTP will be sent before filling Part-B

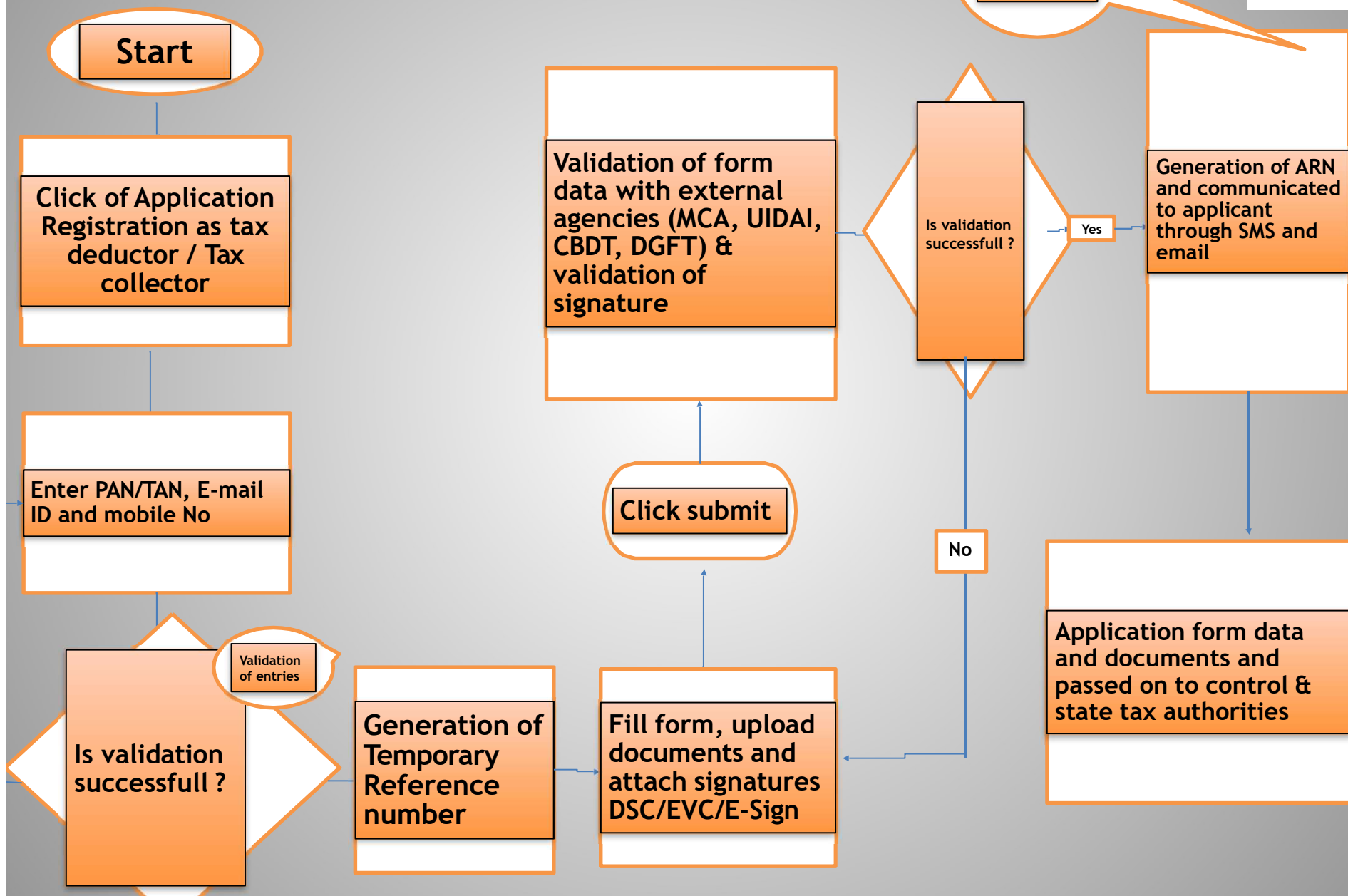




Further, deductors need to follow these listed procedural compliances:

- 1. Deductors shall be registered under section 24**
- 2. TAN/PAN is MANDATORY**
- 3. TDS deducted should be reported in a return form GSTR 7 by the 10th day of the month succeeding the month in which TDS was collected.**
- 4. The amount deposited as TDS will be reflected in the electronic cash ledger of the supplier.**
- 5. They need to issue a certificate in form GSTR-7A to the supplier within 5 days of deducting TDS mentioning therein the contract value, rate of deduction, amount deducted, the amount paid to the appropriate Government.**
- 6. Non-deduction / short deduction / non-payment or short payment of TDS is an offence under the act for which a minimum penalty of Rs 10000/- is prescribed under the act.**

Applying for Registration as tax deductor on the GST Portal





How to fill up Application for Registration in Form GST REG-07....Contd.

In **Part-B** of the application form the following needs to be filled up :

1. In Sl. 1, to enter the trade name, if any
2. In Sl. No. 2, To enter the Constitution of Business such as
Government Department, Public Sector Undertaking, etc.
3. In Sl. 3, To enter the name of the State, **e.g. J&K** & District, **e.g. Srinagar**.
4. In Sl. 4, to enter the jurisdiction i.e, whether State or Centre and then to enter the relevant Sector / Circle / Ward / Charge / Unit, etc. **e.g., Circle-A Srinagar**
5. In sl. No. 5, to enter the type of registration i.e., whether Tax Deductor or Tax Collector (**DDOs are Tax**



How to fill up Application for Registration in Form GST REG-07....Contd.

6. In Sl. No. 6 to enter the type of Government i.e., whether Centre, State/Union Territory.

7. In Sl. No. 7, to enter the date of liability to deduct tax e.g. 01-07-2017

8. In Sl. No. 8(a), to enter the details of principal place of business i.e., the details of office address of the Deductor such as Building No., Name of Road, City, State, Pin Code, etc.

9. In Sl. No. 8(b), to enter the contact information of the office of the Deductor such as email, Mobile no, etc.

10. In Sl. No. 8(c), to enter the nature of possession of premises such as Own, Lease, Rented, etc.

11. In Sl. No. 9 & 10 to enter whether the Deductor has any other registration under GST in the State & if so to enter the GSTIN.



How to fill up Application for Registration in Form GST REG-07

- 12. In Sl. No. 11 to enter the IEC (Importer Exporter Code), if applicable.
- 13. In Sl. No. 12 to enter the personal details of DDOs, such as Name, Fathers Name, Photo, DOB, Gender, Mobile No., PAN/Aadhar No., Passport No., etc. and Residential address of DDO.
- 14. In Sl. No. 13 to enter the details of Authorized Signatory, such as Name, Fathers Name, Photo, DOB, Gender, Mobile No., PAN/Aadhar No., Passport No., etc. including Residential address of Authorized Signatory.
- 15. In Sl. No. 14 to give the consent for Deductor furnishing Aadhar.
- 16. In Sl. No. 15 to declare the Verification using DSC, e-Signature etc as the case may be.



Amendment of Registration

If there is any change in the particulars furnished in the application of registration (FORM GST REG-07)

- ➔ DDOs needs to submit an online application in FORM GST REG-14 along with supporting documents for amendment of registration. (e.g., change in name & Personal information of DDO such as PAN, address, Mobile number etc.



Cancellation of Registration

If the Tax Deductor is no longer liable to deduct tax at source u/s 51, the registration shall be cancelled and the matter shall be informed to the tax Deductor in FORM GST REG -08.



CHECK LIST for obtaining registration

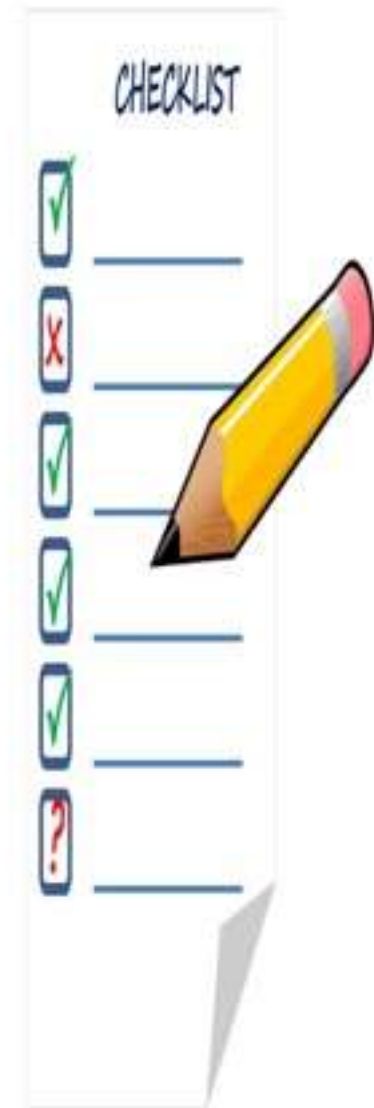
TAN (Tax Deduction and Collection Account Number) issued under the Income Tax Act, 1961.

PAN of the office, if the office is also a business entity e.g. SICOP, SFC, etc.

Office Email Id & Mobile no of DDO
(E-mail OTP & mobile OTP will be sent before filling part B)

PAN / Aadhaar No of DDO, DIN (Director Identification No) if Deductor is a Company.

Class 2 or above DSC (Digital Signature Certificate), e-Signature or any other mode.





Online submission of Returns

Every registered person required to deduct tax at source under the provisions of section 51 shall furnish a return in **GSTR-7** electronically through a common portal (presently www.gst.gov.in), within ten days after the end of such month. Before 10th of next month.

Illustration : If the date of deduction is 12th July, 2017, the detail of deduction shall be furnished in GSTR-7 for the month of JULY, 2017 which needs to be submitted within 10th August, 2017.





Form & manner of submission of Returns

Every registered person required to deduct tax at source under section 51 shall furnish a Return in FORM GSTR-7 electronically through the GST Portal presently www.gst.gov.in

- The details furnished by the Deductor shall be made available electronically to the suppliers in Part C of Form GSTR-2A and Form-GSTR-4A on the Common Portal after the due date of filing of Form GSTR-7 i.e. 10th of next month.
- The Tax Deduction Certificate shall be made available electronically to the supplier on the Common Portal in Form GSTR-7A on the basis of the Return furnished.

How to fill TDS Return in Form GSTR-7



In the beginning the Year and month needs to be filled up,

e.g. Year 2017 & Month JULY

1. In Sl. No. 1, to enter the GSTIN of the Deductor e.g. 18
2. In Sl. No. 2(a) & (b), the legal name (as per TAN or PAN)
e.g. Executive Engineer Srinagar and the trade name, if any shall be Auto Populated.
3. In Sl. No. 3, to enter the details of TDS, such as GSTIN of Deductee, Amount paid to Deductee on which tax is deducted and the amount of tax deducted (IGST/CGST/SGST)
4. In Sl. No. 4, to enter the amendments to details of TDS in respect of any earlier tax period i.e. to furnish detail if there is any change in any entry of tax deduction.

How to Submit Return in Form GSTR-7



5. In Sl. No. 5, to enter the details of TDS viz., Description (IGST/CGST/SGST), Amount of tax deducted and the Amount paid.

6. In Sl. No. 6, to enter the detail of Interest, Late fee payable and amount paid under IGST/CGST/SGST.

7. In Sl. No. 7, to enter the details of Refund claim from electronic cash ledger.

8. In Sl. No. 8, to debit entry in electronic cash ledger for TDS/interest payment which shall be auto populated after payment of tax and submission of return.

9. At the end to declare the Verification using DSC, e-Signature etc as the case may be.

Form GSTR-7*[See Rule...]***Return for Tax Deducted at Source**

Year				
Month				

1.	GSTIN																
2.	(a) Legal name of the Deductor	Auto Populated															
	(b) Trade name, if any	Auto Populated															

3. Details of the tax deducted at source

(Amount in Rs. for all Tables)

GSTIN of deductee	Amount paid to deductee on which tax is deducted	Amount of tax deducted at source		
		Integrated Tax	Central Tax	State/UT Tax
1	2	3	4	5

4. Amendments to details of tax deducted at source in respect of any earlier tax period

Original details			Revised details				
Month	GSTIN of deductee	Amount paid to deductee on which tax is deducted	GSTIN of deductee	Amount paid to deductee on which tax is deducted	Amount of tax deducted at source		
					Integrated Tax	Central Tax	State/UT Tax
1	2	3	4	5	6	7	8

5. Tax deduction at source and paid

Description	Amount of tax deducted	Amount paid
1	2	3
(a) Integrated Tax		
(b) Central Tax		
(c) State/UT Tax		

6. Interest, late Fee payable and paid

Description	Amount payable	Amount paid
1	2	3
(I) Interest on account of TDS in respect of		
(b) Integrated tax		
(b) Central Tax		
(c) State/UT Tax		
(II) Late fee		
(a) Central tax		
(b) State / UT tax		

7. Refund claimed from electronic cash ledger

Description	Tax	Interest	Penalty	Fee	Other	Debit Entry Nos.
1	2	3	4	5	6	7
(a) Integrated Tax						
(b) Central Tax						
(c) State/UT Tax						
Bank Account Details (Drop Down)						

8. Debit entries in electronic cash ledger for TDS/interest payment [to be populated after payment of tax and submissions of return]

Description	Tax paid in cash	Interest	Late fee
1	2	3	4
(b) Integrated Tax			
(b) Central Tax			
(c) State/UT Tax			

Verification

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Signature of Authorized Signatory

Place:

Name of Authorized Signatory

Payments



Some Highlights

Electronic Cash Ledger

- ü Deposit & utilise cash for payment of liabilities just like an eWallet

No Limits on Online Payments

- ü Now make all your payments online

Instant Updates

- ü Online payments updated in ledger almost real time

100% Secure Transactions

- ü All transactions encrypted to protect your details

Payment Receipt

- ü Get payment receipts real time

Track Status of Your Payment

- ü Status of payment available online



- **Generation of Challan:**

- 1) Access the link www.gst.gov.in
- 2) Click the **Login** link given in top right-hand side of the GST Home page. The tax deductor Login page is displayed.
- 3) Login to the page by feeding user name and pass word and enter the captcha.
- 4) Click the **LOGIN** button. The tax deductor's Dashboard is displayed.
- 5) Go to **Services > Payments > Create Challan** command. The Create Challan page is displayed.
- 6) Enter amount of Tax deducted details.e cash will be deposited.



7) In the Payment mode, select the **Over the Counter/ RTGS/NEFT/Net Banking**

8) Select the **Name of Bank** and then select the option Cash/ Cheque/ Demand Draft through which the cash will be deposited.

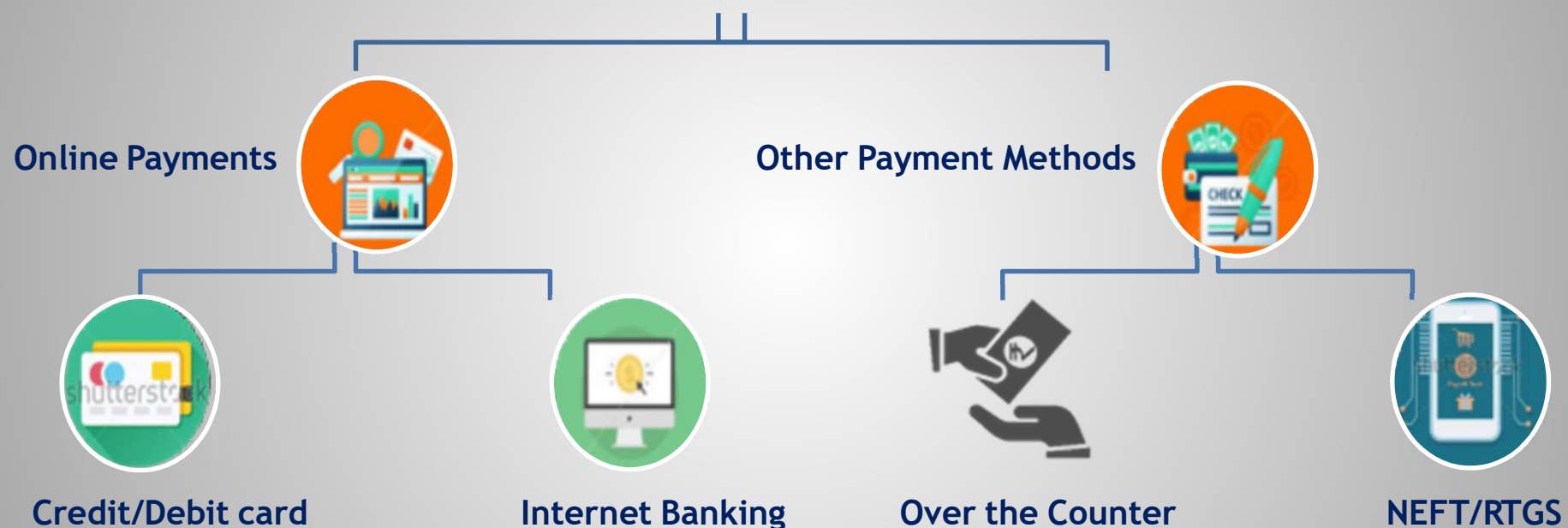
9) Click the **Generate Challan** button. The Challan is generated which is having **CPIN** (Common Portal Identification Number) of 14 digits.

10) After paying the cash **CIN** (Challan Identification Number) is generated.



Payment Modes

GST Payment Modes



NOTE: All payments are deposited into the Electronic Cash Ledger & funds are utilized from it when taxpayer makes payments for liabilities.



Payments

Making Payments: Challans

- § A **GST challan** can be defined as the specific format used for making payments under the GST regime, e.g., depositing goods & services tax, interest on overdue tax, penalties, & others
- § Single challan for **SGST, CGST, & IGST** payments (including cess)
- § Challan for making GST Payments are generated online
- § GST challans are created online



Create Challan Screenshot



Dashboard Services ▾ Notifications & Circulars ▾ Acts & Rules ▾ Downloads ▾

Create Challan

Saved Challan

Challan History

Challan Details

	Tax (₹)	Interest (₹)	Penalty (₹)	Fees (₹)	Other (₹)	Total (₹)
CGST(0001)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0"/>
IGST(0002)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0"/>
Cess(0003)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0"/>
SGST(0004)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0"/>
Total Challan Amount:		₹ 0				
Total Challan Amount (In Words):		Rupees				

Payment Modes

☐ E-Payment

☐ Over The Counter

☐ NEFT/RTGS

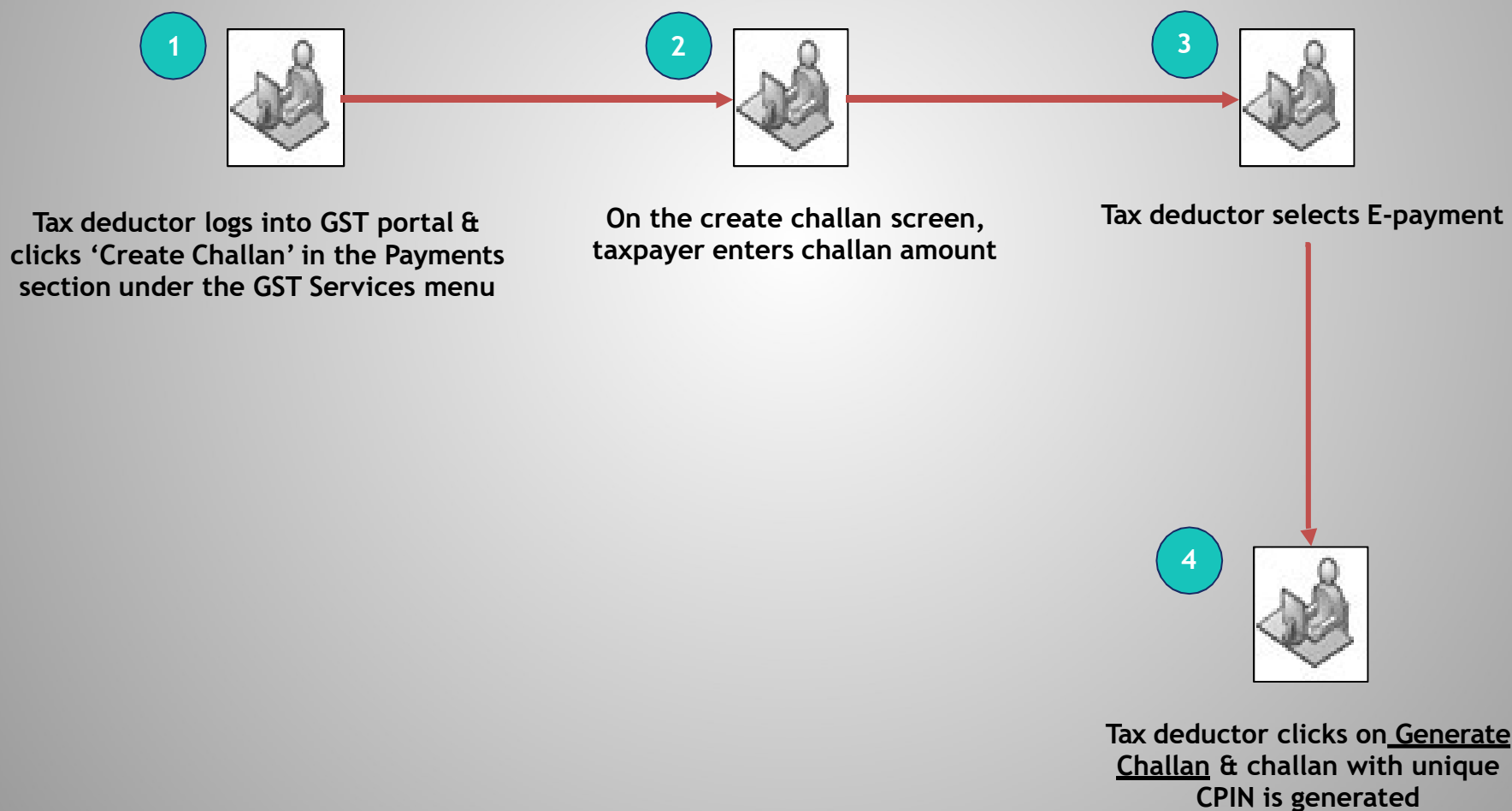
Major Heads

Minor Heads



Creating a Challan (E-Payment)

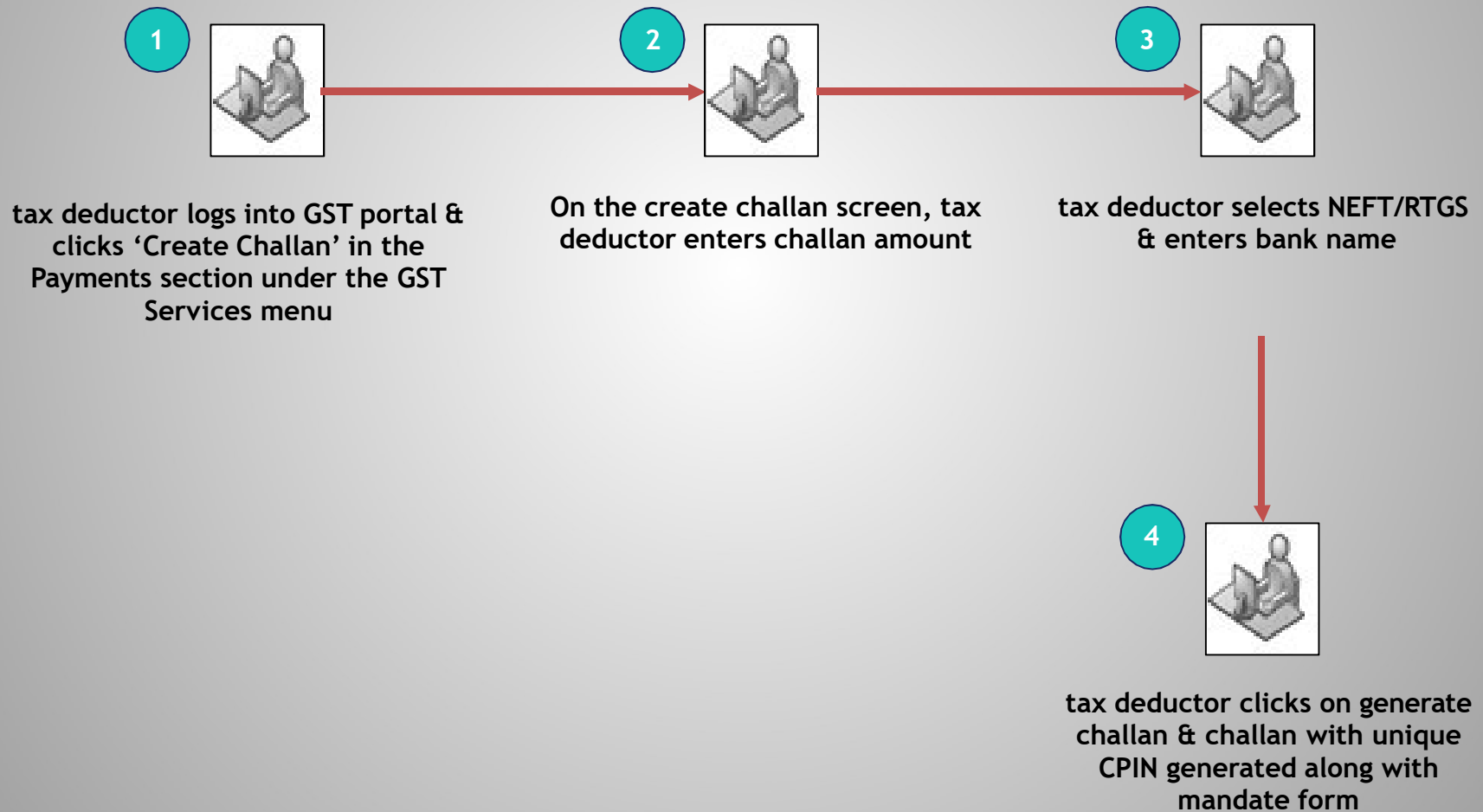
Precondition: Valid GSTIN or Temporary ID





Creating a Challan (NEFT/RTGS)

Precondition: Valid GSTIN or Temporary ID + Bank Name



Payments



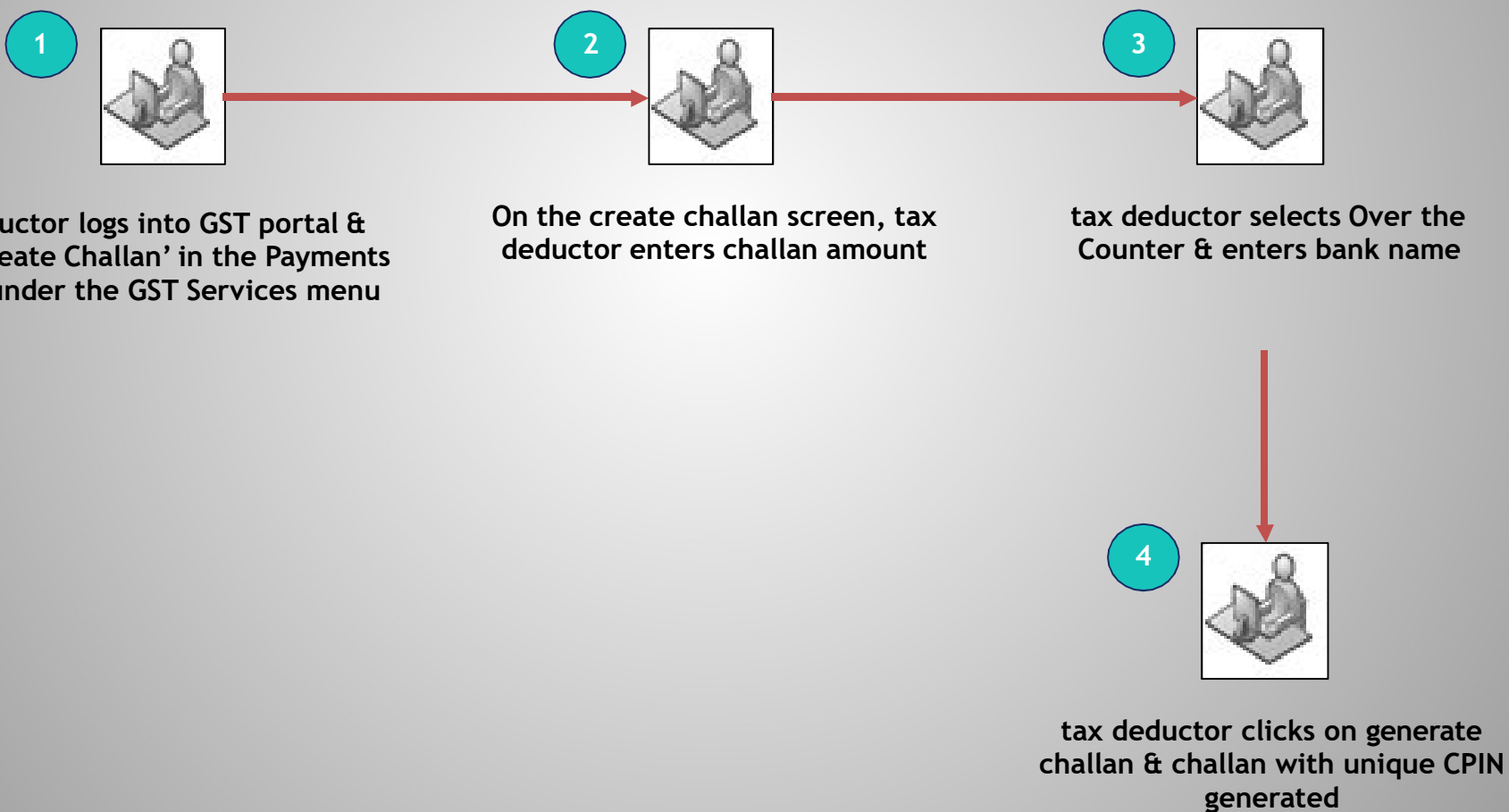
Creating a Challan (NEFT/RTGS): Mandate Form

GOODS AND SERVICES TAX	
Mandate Form for making GST Payment through NEFT/ RTGS Mode	
(Valid Till Date : 14/02/2017)	
I hereby authorize ICICI BANK LTD to remit an Amount of Rs4 (Rupees in words) Four only through <input type="checkbox"/> NEFT <input type="checkbox"/> RTGS as per details given below <input type="checkbox"/> Cheque <input type="checkbox"/> Debit my/our Account	
DETAILS OF APPLICANT(REMITTER)	
Name of the Remitter	GURVINDER SINGH KAMRA
Account Number	_____
Cheque Number	_____
Cheque Date	_____
Address	_____
Contact No.	_____
DETAILS OF BENEFICIARY	
Beneficiary Name	GST
Beneficiary Account No.(CPIN)	17010500000033
Beneficiary Bank Name	Reserve Bank of India
Amount	4
Sender To Receiver Information	17010500000033
(.....)	
Signature	
Date:	
1. No change is allowed in the NEFT details by the customer or the originating bank. The transaction is liable to be rejected in case of any change in the NEFT details data 2. This NEFT transaction should reach the destination bank by 23/12/2015(Date) till 16:00 hrs(Time). In case of any delay, the NEFT transaction would be returned to the originating Account. It would be the responsibility of the customer and the originating bank to ensure that the NEFT remittance reaches the beneficiary account well before the expiry time and neither the GST Authorities nor Reserve Bank of India would be liable for any delay.	



Creating a Challan (Over the Counter)

Precondition: Valid GSTIN or Temporary ID + Bank Name



Payments



Creating a Challan - Reference Screenshot of Generated Challan

Goods and Services Tax

Dashboard Services Notifications & Circulars Acts & Rules Downloads

GST Services > Payments

GST Challan

CPIN: 16020700000001

Challan Generation Date: 22/02/2016

Challan Expiry Date: 29/02/2016

Mode Of Payment: E-Payment

Details Of Taxpayer

GSTIN: STAPFCH7485F121

Name: Kamath Foods Private Limited

Email Address: kfoods@gmail.com

Address: C-134, Karama Nagar, Delhi-110070

Mobile Number: +91-9876453210

Details of Deposit

	Tax (₹)	Interest (₹)	Penalty (₹)	Fees (₹)	Other (₹)	Total (₹)
CGST (0001)	1,000	1,000	250	250	500	5,000
IGST (0002)	2,000	1,000	250	250	500	5,000
Delhi GST (0004)	1,000	1,000	250	250	500	5,000
Total Challan Amount	₹15,000					
Total Challan Amount (in words): Rupees Fifteen Thousand only						

Select Mode of E-Payment

☒ Prepaid Cards

☐ Net Banking

☐ DD Credit/Debit Cards

PRINT DOWNLOAD Save PDF/HTML

Unique Common Portal Identification Number (CPIN)

Challan generation date

Challan expiration date

Mode of payment

Total challan amount

Payments

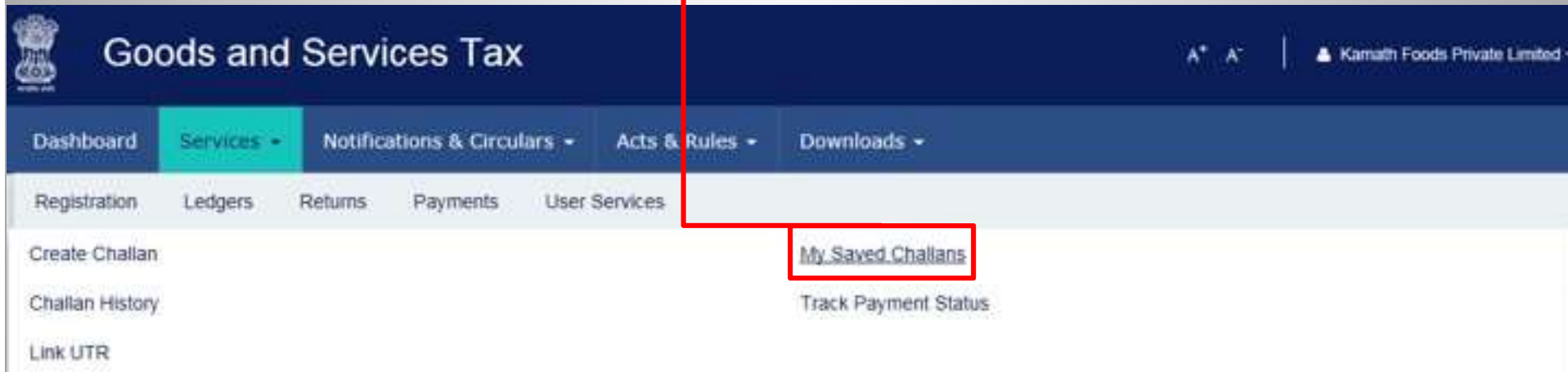


Payments: My Saved Challans

1

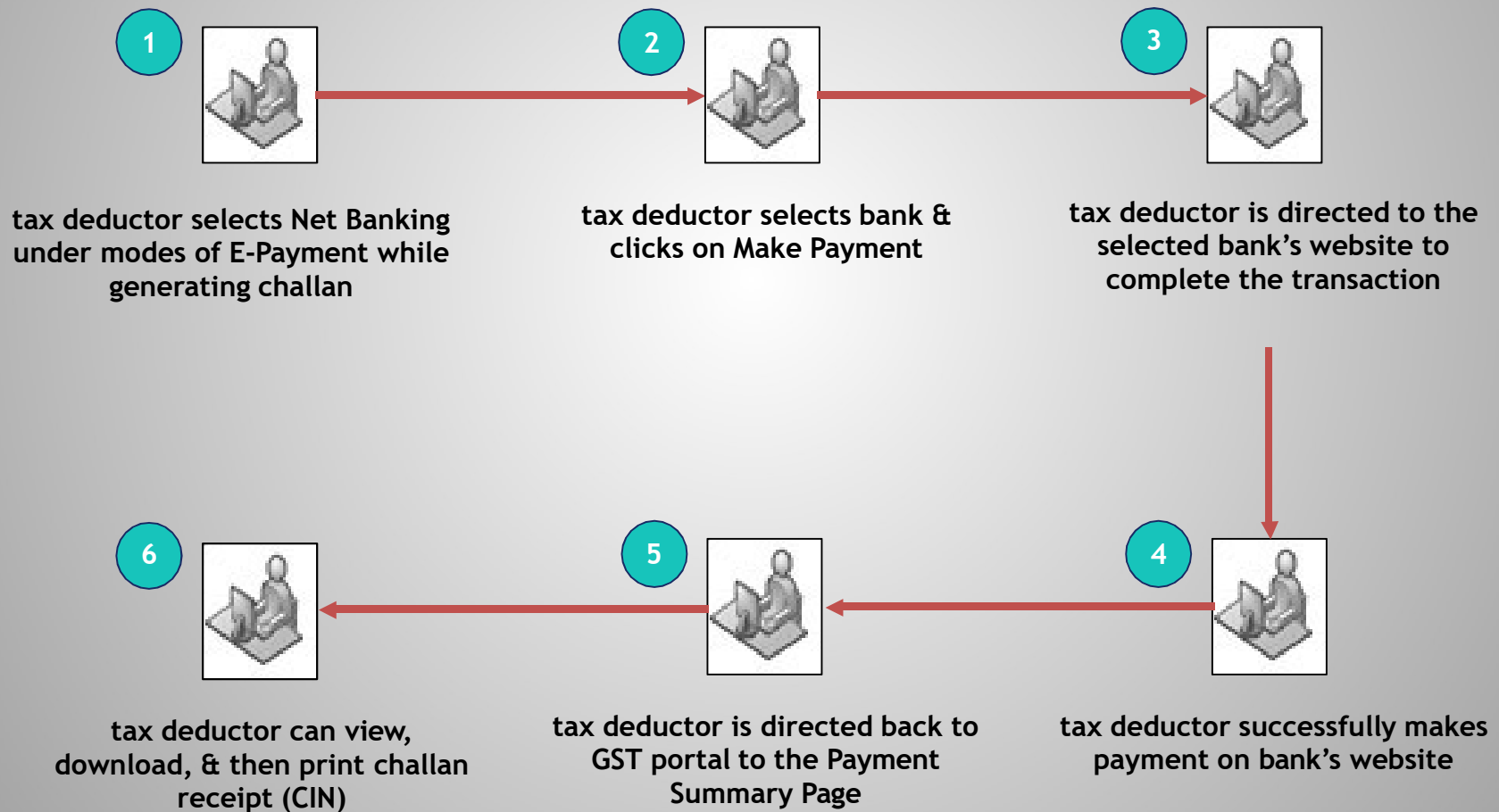


Tax deductor logs into GST portal & clicks 'My Saved Challans' in Payments section under the GST Services menu



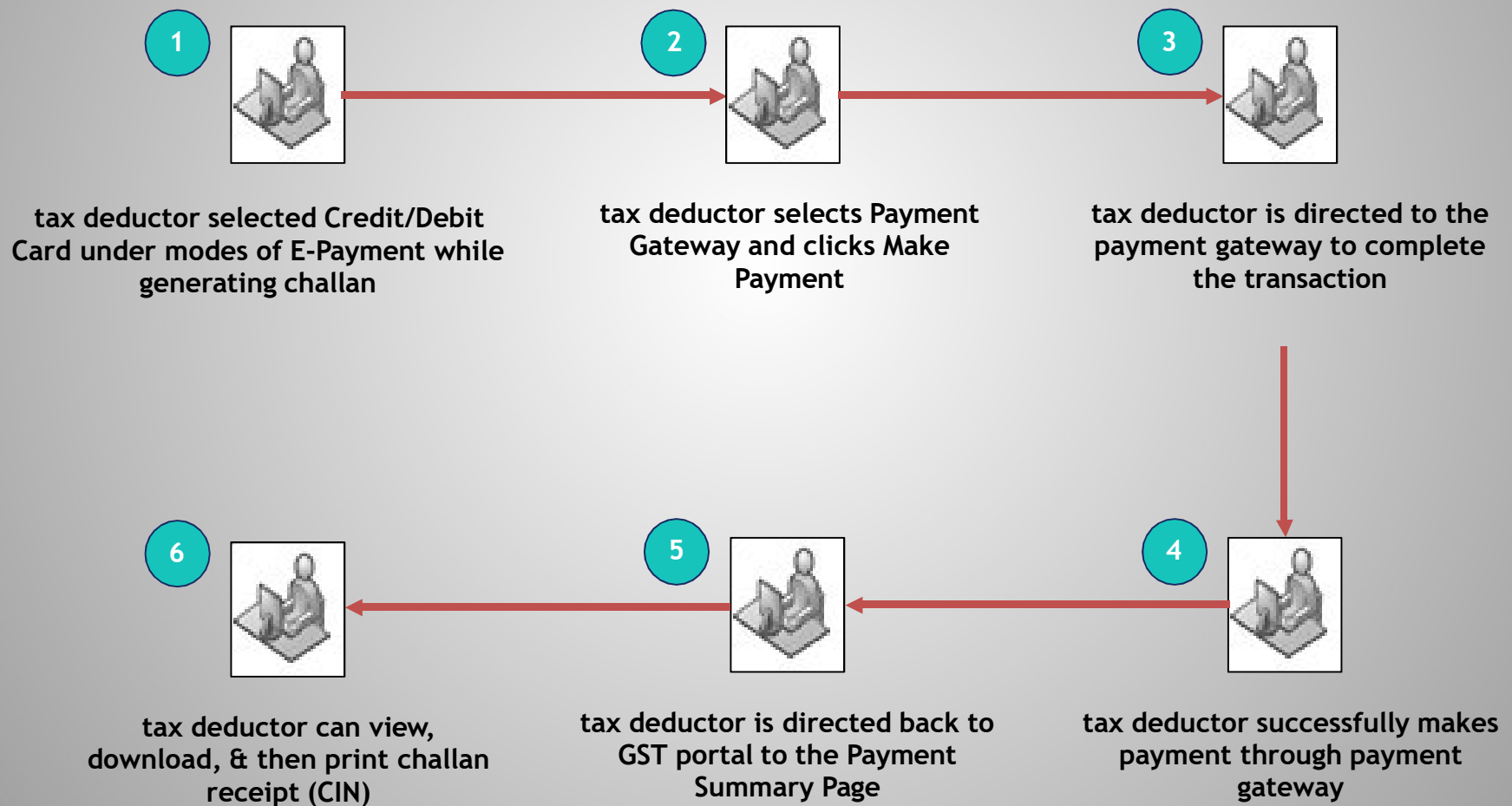


Online Payments: Internet Banking





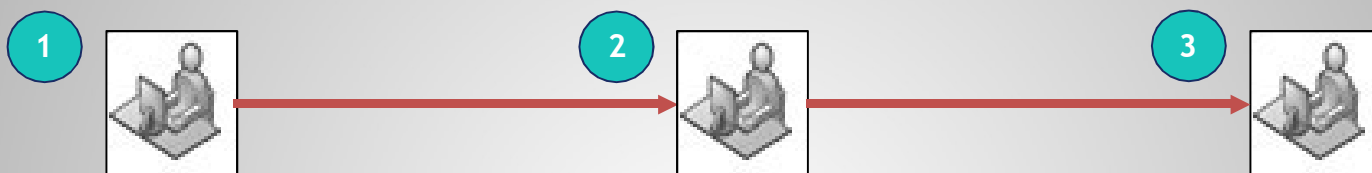
Online Payments: Credit/Debit Card



Payments



Other Payment Methods: NEFT & RTGS



1
tax deductor has selected NEFT/RTGS mode for payment

2
tax deductor enters all the details of bank where payment will be made before generating challan

3
tax deductor clicks on Generate Challan



6
tax deductor can view, download, & then print challan receipt

5
tax deductor fills mandate form & makes NEFT/RTGS payment (via cheque only) & uploads UTR number on the GST portal

4
tax deductor can view and download generated challan along with partially auto-filled mandate form



PENAL PROVISIONS:

- **Failure to furnish the certificate in form GSTR-7A to the deductee by the deductor after deducting the tax at source, within five days of crediting the amount so deducted to the Government:** The deductor shall pay, by way of a late fee, a sum of one hundred rupees per day from the day after the expiry of such five day period until the failure is rectified, subject to a maximum amount of five thousand rupees. ---- **Section 51(4)**
- **Failure to pay to the Government the amount deducted:** The deductor shall pay interest at a rate not exceeding **eighteen** percent in addition to the amount of tax deducted. ----- **Section 51(6)**
- **Failure to deduct the tax or deducts an amount which is less than the amount required to be deducted or failure to pay to the Government , the amount deducted as tax:** Liable to pay a penalty of ten thousand rupees or an amount equivalent to the tax evaded or the tax not deducted or deducted but not paid to the Government. whichever is **higher**. ----- **Section 122(1)**



Mode of TDS payment💰



Internet Banking through



Authorized Banks.
Credit Card or Debit Card of
Authorized Banks.



NEFT or RTGS from any
Authorized Bank.



Over the Counter (OTC)
payment through Authorized
Banks by cash, cheque or
Demand Draft up-to Rs.
10,000.00 per challan per tax
period.



Any other mode to be notified.





ISSUE of TDS Certificate

The TDS amount shall be paid to the Government by the deductor within 10th day of next month .

(If deducted on 12/07/2017 . TDS to be paid before: 10/08/2017)

The Deductor shall furnish to the Deductee a certificate in Form - 7A with the contract value, rate of deduction, amount deducted, amount paid to the Government.

If any Deductor fails to furnish the certificate to the supplier, within five days from date of deposit(say within 15th August in this case), the Deductor shall pay a late fee @ Rs 100 per day from the sixth day (say from 16th August in this case) until the failure is rectified, subject to maximum Rs 5,000.00.



Penalty, Fee, Interest



etc. 😞

U/s 122(1), if a Tax Deductor fails to deduct the tax or deducts less than the amount required to be deducted.

or

U/s 122(2), where Tax Deductor fails to pay to the Govt, the amount deducted as tax;

In such cases, Tax Deductor shall be liable to pay a penalty of ten thousand rupees or an amount equivalent to the tax evaded or the tax not deducted under section 51 whichever is higher.

Penalty, Fee, Interest etc. (contd..)



Interest @18% shall be charged, if any DDO fails to deposit the deducted tax amount to the Government within the 10th day of next month. Interest shall be calculated for the defaulting period. 🤔

Digital Signature Certificate(DSC) class 2 and above is mandatory



If the applicant is a Private Limited Company /Public Limited Company / Public Sector Undertaking/ Unlimited Company /Limited Liability Partnership/ Foreign Company/ Foreign Limited Liability Partnership in such cases Digital Signature Certificate (DSC) class 2 and above is mandatory for submission of **Application of Registration and furnishing of Return.**

Tax Deduction at Source Certificate



1. TDS Certificate No. –
2. GSTIN of deductor –
3. Name of deductor –
4. GSTIN of deductee–
5. (a) Legal name of the deductee -
(b) Trade name, if any –
6. Tax period in which tax deducted and accounted for in GSTR-7 –
7. Amount of tax deducted -

Amount of Tax deducted at source (Rs.)		
Integrated Tax	Central Tax	State /UT Tax



Thank You

